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ABSTRACT OF THE DISCLOSURE

A system and method for quantifying the working capital benefit of pooling a number of separate cash accounts. The average (mean) cash balance of the pooled account is determined to be the sum of the means of each of the individual accounts. Similarly, the standard deviation of the pooled account is determined to be the square root of the sum of the squares of the standard deviations of the individual accounts. Accordingly, the minimum cash level of the pooled account is 2.3 times the square root of the sum of the squares of the standard deviations of the individual accounts. In order to determine the benefit of pooling, the present invention determines the difference between the minimum aggregate cash required by the separate companies and the minimum cash required in the pooled account. If pooling is to be beneficial, from a working capital perspective, the minimum cash required in the pooled account will be significantly less than the aggregate cash required by the separate companies.